

Goals: WHAT SAINT PAUL MUST ACCOMPLISH TO **IMPROVE** AND **STABILIZE** ITS ACE SECTOR

This plan includes five primary goals for the ACE sector over the next decade:

1) Address the arts, cultural and entertainment interests and aspirations of all Saint Paul residents

The main benefit to a strong ACE sector is to make the city a vibrant place where people want to live, work and play. Saint Paul is a diverse community with people of many different ethnic, economic and cultural backgrounds. Research shows that residents of Saint Paul are more likely than residents of other cities to value arts and cultural programs (7). It is important that the benefits of a strong and vibrant ACE sector make the city a better place for all of those who live here.

2) Strengthen the role of the ACE sector in citywide economic development and promotion

As an industry with an annual impact of over \$600 million on Saint Paul's economy, the ACE sector should be exploited as an economic development tool. Our city's arts, cultural and entertainment amenities should be used as assets as Saint Paul competes with other communities for residents, job growth and investment. Giving the ACE sector a more prominent role in the city's development policy will help us use these assets most effectively.

3) Provide young people with access to a range of high quality arts and cultural education programs, from appreciation to professional training

Strengthening the opportunities for young people to learn about the arts will have many benefits. It will improve student achievement and give Saint Paul a more educated work force. It will enhance the community life of Saint Paul through a more engaged citizenry. It will give young people increased opportunities in the ACE sector and recognizes that appreciation for arts and culture often begin through being entertained. It will train future leaders and professionals for Saint Paul's ACE sector – giving the city a continuing edge in this growing industry.

4) Improve communication and coordination among ACE organizations and between the ACE sector and the broader community

Improved cooperation between ACE groups will allow them to plan for their shared future and to promote Saint Paul as a center for arts, culture and entertainment. More unified marketing and promotions will not only save costs, but strengthen the reputation of Saint Paul to ACE sector patrons through positive “branding” of the city.

5) Improve operations and strengthen earned and contributed revenues for ACE organizations

In order to adapt to challenging economic times, it is vital for ACE organizations to improve their revenue through fundraising and ticket sales. In fiscal year 2001, earned income provided half of all revenue for non-profit arts groups (8). The study attached in Exhibit B estimates the annual resource “gap” for non-profit ACE groups to be \$25 million annually (9). In addition to raising revenue, ACE groups should work together to save costs through better management and more efficient operations.

“**THERE** is, right now, tremendous focus and consensus on making even more of arts, culture, and entertainment as an essential asset to our city's economic development as well as quality of life. We've recognized the value of this sector, from individual artist to major entertainment businesses.”

Jane Eastwood
Vice President
Marketing, Communication and Sales
Science Museum of Minnesota

Action Items: **RECOMMENDATIONS FOR ACHIEVING THE GOALS OF THIS PLAN**

In order to achieve the vision and the goals for the ACE sector that are identified above, this plan recommends several action items for Saint Paul. A complete list of these items is available in Exhibit A. Below are highlights of the ten basic steps needed to make Saint Paul the Midwest's leading center for arts, culture and entertainment.

A) Establish the Arts, Culture and Entertainment Alliance

The mission of the Saint Paul Arts, Culture and Entertainment (ACE) Alliance will be to support, sustain and promote a vital and successful ACE sector in Saint Paul that contributes to the quality of life and the economy of our city. The ACE Alliance will provide an array of services to the ACE sector and serve as an advocate for ACE activities with foundations, private donors and government agencies.

The ACE Alliance will serve many roles and functions within the ACE sector. It will market Saint Paul as a center for ACE activities. It will develop and maintain a strategic plan for the ACE sector in Saint Paul. It will advocate for ACE activities with private, corporate and foundation funders and in City economic development initiatives. It will establish standards for operations and governance within ACE organizations. It will provide "back office" functions such as health insurance, training, human resources and payroll to ACE groups. It will help ACE groups share data, manage Saint Paul's cultural resources and provide outreach to colleges and universities.

The ACE Alliance should be a 501©3 non-profit organization funded by donations, endowments, membership dues, and public support. It should be governed by a board of directors that includes community, philanthropic and corporate leaders. It should have a professional staff to implement policies and plans as directed by the Board. Advisory committees comprised of professionals from within the ACE sector should assist the Alliance with input on technical, programming, marketing, operational and other matters.

The ACE Alliance will build on Saint Paul's tradition of outstanding achievement by public / private partnership groups like the Riverfront Development Corporation, the Capital City Partnership, and the Port Authority. It could be a newly created group or reconfiguration of an existing group such as the Arts and Culture Partnership of Saint Paul.

B) Implement a long-range strategic plan for Saint Paul's ACE sector

This plan recommends that ACE Alliance refine and implement a long-range strategic plan for ACE activities in Saint Paul. This will assure the private funding community and public sector that their increased investment in the ACE sector will have a lasting impact on the city. It will also help the City better coordinate its economic development strategies with the ACE sector. The long-range strategic plan will focus on maintaining Saint Paul's ACE infrastructure and on strengthening the city's ACE sector. Areas of focus could include: marketing and promotion of the ACE sector, and facility development and management.

C) Enhance private and public funding for the ACE Sector

A 2003 survey of Saint Paul's non-profit ACE organizations found that these groups currently run an annual deficit of about \$7.5 million per year. This plan seeks to stimulate vibrancy in the ACE sector by wiping out this deficit and achieving real growth of 10 percent (above inflation). This requires increased funding totaling \$25 million per year. This plan recommends that this funding come equally from three sources: (a) increased earned and contributed income from the organizations themselves; (b) a challenge program with private and corporate foundations; and (c) increased support from local government.

Increased earned and contributed income will take a sustained effort from all ACE organizations with the help of the new Saint Paul ACE Alliance. Improved marketing and branding of Saint Paul as an ACE center will attract increased earned revenue. Professional assistance from the ACE Alliance will help increase contributed revenue.

Private and corporate foundations will be engaged to fund collaborative ACE activities and those funding efforts will be coordinated by the ACE Alliance. These foundations will be encouraged to view their investments in the ACE sector strategically as part

of a larger community goal. Final decisions on investments will continue to rest with individual foundations for individual organizations.

Increased support from local government will involve reshaping the Cultural STAR Program and adding new revenue sources. The goal is to raise a total of \$8 million per year. The sources of public revenue could come from any of the following sources:

- The Cultural STAR Program. The current program budget is approximately \$1.4 million per year. \$1 million of this amount could be distributed as operating support through the ACE Alliance under a formula. The remaining \$400,000 would be administered by the City for capital and other special projects that meet City priorities as determined by the Mayor and City Council.
- A surcharge on entertainment related parking. Parking revenues in the downtown area have soared in recent years with events at the Xcel Center, Ordway, Science Museum and Children’s Museum. A surcharge would allow for a fraction of these revenues to support increased ACE sector economic activity downtown.
- A cultural assessment district in downtown. Saint Louis has used an assessment district to support cultural institutions. A special assessment district would be limited to downtown property that sees an increase in value from the ACE sector. The Task Force recognizes that the structure and focus of this assessment district would require more research and discussion.

Public revenue will be used to fund marketing, promotions and other activities included in the ACE strategic plan; to help support the functions of the ACE Alliance; and for operating support for the ACE sector. Operating support to ACE organizations will be determined by formula and organizations would have to meet standards for operations and governance as well as demonstrate a public purpose in order to be eligible for funding.

Assistance should also be provided to encourage entertainment activities that will bring high numbers of people to the City but may not be financially viable. Community, national and international events at Xcel Energy Center are one such example. High-risk – but high-impact – bookings at venues around town could also qualify.

D) Commit to a sustained, cooperative marketing effort “branding” Saint Paul as a leading center for arts, culture and entertainment

This plan recommends that Saint Paul start a cooperative effort to market all of its ACE activities. This will be another primary function of the ACE Alliance and will require the cooperation of for-profit and non-profit groups. Consumers do not make a distinction between for-profit entertainment and non-profit arts activities. The ACE sector should adjust its marketing to recognize this fact.

The focus will be on getting hockey fans from the western suburbs to think about going to the Penumbra Theater. Or perhaps encouraging out-of-town Science Museum attendees to stay in town for a show at the Ordway. Successful entertainment districts throughout the nation have strong cross-marketing efforts. This effort will be aimed at getting people from throughout the upper Midwest to see Saint Paul as an ACE destination.

E) Include the ACE sector in Saint Paul’s economic development strategies

Clearly, the ACE activities cannot be the only economic development strategy for the Saint Paul – but they should be a key component. This plan recommends that ACE activities be integrated within City planning documents and economic development projects wherever possible. The City’s Planning and Economic Development Department should work with the ACE Alliance as neighborhood plans are developed throughout Saint Paul. The focus should be on establishing creative enclaves, such as coffee shops in renovated old buildings, or wherever possible to enhance Saint Paul’s cultural character. The City should also promote public art throughout the city and as a part of publicly founded projects.

F) Support the development of the Saint Paul Conservatory for Performing Artists

The Saint Paul Conservatory for Performing Artists is scheduled to open in fall 2004. This new institution will provide up to 300 qualified students with an education in an arts-based curriculum. The Conservatory's presence in downtown Saint Paul will serve as a tremendous asset to the school and the ACE sector. Students will have the opportunity to work directly with professional theater, dance and performance groups. ACE groups will have an opportunity to develop tomorrow's leaders. Saint Paul will become one of a small handful of cities nationwide with an educational center within a thriving arts and cultural district.

This plan recommends that Saint Paul embrace the new Conservatory and support its early stage development. This support could include providing start-up funding, assisting with marketing and recruitment efforts, sharing of facilities, assisting with curriculum development and other activities as needed. It also recommends that the new conservatory make every effort, as well, to reach out to ACE organizations to develop mutually beneficial relationships.

G) Improve arts and cultural educational programming in Saint Paul's schools, parks and libraries

This plan recommends that the ACE Alliance reach out to the arts, cultural and entertainment components of Saint Paul's colleges, universities and vocational schools and help connect them to ACE organizations, schools and the community. This connection could yield many positive results for Saint Paul. Students from St. Catherine's, St. Thomas, Hamline, Macalester, Music Tech and the College of Visual Arts should be recruited to provide arts programming in Saint Paul Parks during the summers and after school hours. The colleges should also be recruited to participate in a Youth Arts Week in Saint Paul every summer. In addition, the Arts Alliance should work to encourage programming at the institutions that could benefit neighborhood residents.

The ACE Alliance should also support and help improve related programs in Saint Paul's public schools. These

programs include the Arts for All Saint Paul plan, the Arts Allies in Basic Learning and Excellence (Arts ABLE) and the Achieve and Connect through Theater (ACT) programs. The Alliance should monitor developments in school funding for arts programs.

The ACE Alliance should also work to continue and improve connections between the Saint Paul's cultural institutions and educational groups. The longstanding role in educating Saint Paul residents that is played by the Science Museum, History Center, Minnesota Public Radio, Children's Museum, Landmark Center, Minnesota Museum of American Art and other institutions should be encouraged and expanded.

H) Respond to the arts, culture and entertainment needs of all Saint Paul residents

This plan recommends that the ACE Alliance and organizations make a consistent effort to include all Saint Paul residents in all areas of ACE sector activities. This includes availability of tickets, programming that appeals to diverse audiences, improved educational opportunities and access as well as marketing and promotional strategies. Research has shown that while Saint Paulites are more likely to value arts, cultural and entertainment programs than residents of other cities, they buy tickets to traditional art forms on a level comparable to other cities (10). Demographic analysis of Saint Paul has shown that our residents have significant undeveloped market potential as ACE consumers (11).

To be successful in achieving the vision of this plan, the ACE sector must convert interest and potential into participation. Efforts to include Saint Paul's diverse population in marketing, sales and programming should lead to an increase in the number of local residents buying tickets. This can be tracked through patron data with ACE organizations and through attendance at ACE events and neighborhood festivals.

No single action can accomplish what needs to be done in this area. Rather, the effort to make ACE activities more accessible and respondent to Saint Paul's diverse populations demands vigilance in all areas of the ACE sector.

Partnering for the Future: **BENCHMARKS FOR SUCCESS**

Stabilizing and growing the ACE sector in Saint Paul will require that ACE organizations, the community, the private sector and government work in partnership with each other. Most of the burden will fall on the ACE organizations themselves. This is as it should be. **The future success of the ACE sector is in its own hands.**

But success requires the help of everyone involved. Just as the successes in Saint Paul to date – such as development of the riverfront and Housing 5000 – have been built on partnerships, so, too, must the successes of the future. Strong partnerships rely on the commitment of each partner.

As Saint Paul works toward its vision as the Midwest's leading center for arts, culture and entertainment, each partner must do its part. Below is a list of benchmarks that should be considered for each partner in achieving the goals of this plan.

Arts Culture and Entertainment (ACE) Organizations:

- 1) Maximize earned revenues through a 3% increase in annual attendance.
- 2) Increase the annual economic impact that the ACE sector has on Saint Paul by 3%, after adjustment for inflation.
- 3) Embrace organizational “best practices” and standards for governance and operations.
- 4) Increase the number of organizations that use self-assessment tools and participate in technical assistance programs in areas such as health insurance, human resources and development.
- 5) Achieve an annual improvement of 3% in the ratio of aggregate net income/deficit and have no organizations with deficits by 2009.
- 6) Increase the number of organizations
- 7) Coordinate administrative, advocacy and marketing functions.
- 8) Improve cross marketing to customers and increase number of people who patronize multiple ACE destinations on their visits to Saint Paul. Collect this information.
- 9) Provide support to the new ACE Alliance through participation in Alliance programs and committees.

- 10) Provide support to the Saint Paul Conservatory for Performing Artists through partnerships and student opportunities.

Community Partners:

- 1) Increase private, corporate and foundation donations to ACE organizations that are meeting operational and governance standards with a goal of \$8 million in additional funding above 2.5% inflation factor.
- 2) Saint Paul Public Schools, private schools, colleges and universities work with the ACE Alliance to implement the educational component of this plan and the ACE strategic plan.
- 3) Support the Saint Paul Conservatory for Performing Artists.
- 4) Provide community, corporate and philanthropic leadership to the new ACE Alliance through Board participation.

City of Saint Paul:

- 1) Increase public funding for ACE activities through strategic use of the Cultural STAR Program and additional revenue sources.
- 2) Work with the ACE Alliance to coordinate the arts strategic plan with economic development plans and initiatives.
- 3) Support the educational component of this plan and the ACE strategic plan through the Department of Parks and Recreation.

Conclusion: TRANSFORMING SAINT PAUL

A vibrant ACE sector can transform a city. Top quality ACE amenities attract residents, visitors and businesses to a community. Other cities around the nation such as Charlotte, Denver and Portland have engaged their corporate, philanthropic and community leaders in building their ACE sectors. Those cities have reaped the benefits of private investment in their own communities tied to ACE activity as well as increased recognition as vibrant urban centers both nationally and within their respective regions.

Many challenges lie ahead if Saint Paul is to do the same. Troubling economic times, increased regional competition and an uncertain future threaten many of Saint Paul's ACE organizations. It will take resources, leadership and commitment to overcome these obstacles. However, our city has met such challenges before. If we do so again, we have an opportunity to truly transform Saint Paul.

"SOMEONE buys a ticket to see Eric Clapton at the Xcel for much the same reason as they go to a concert by the Saint Paul Chamber Orchestra, an exhibit at the Science Museum or a play at Park Square Theatre - they want to be entertained. ACE organizations have more in common than most realize and we're committed to working with our non-profit partners to make the most of the impact we bring our 'neighborhood' in Saint Paul and throughout the entire state of Minnesota."

Pamela Wheelock
EVP and CFO of Minnesota Sports and Entertainment and the Minnesota Wild
Co-Chair of the Mayor's Task force on Arts, Culture and Entertainment

